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4 AUG 1981

MEMORANDUM FOR: Deputy Director for Administration

FROM:

CORE Working Group

SUBJECT: CAT II Future Efficiencies through Capital
Investment (U)

1. Future efficiencies that could be realized by near-term capital investment are summarized in the attachment. There are three categories of capital investments:

- CAT IIA - Those requiring capital investment in the 4th quarter FY-81.
- CAT IIB - Those requiring capital investment in 1st quarter FY-82.
- CAT IIC - Those requiring capital investment in FY-82.

All of the CAT IIA items have been submitted to the DDA as unfunded requirements. CAT IIB and IIC items will be surfaced as unfunded as we proceed into the new fiscal year.

2. All of this information will be included in the final report but is submitted now in hopes that it will receive early consideration for reprogramming Agency funds this fiscal year.

Attachment:
As stated

THIS MEMORANDUM WILL BE UNCLASSIFIED
WHEN ATTACHMENTS REMOVED

WARNING NOTICE
INTELLIGENCE SOURCES
AND METHODS INVOLVED

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ATTACHMENT

CAT II FUTURE EFFICIENCIES

THROUGH

CAPITAL INVESTMENT

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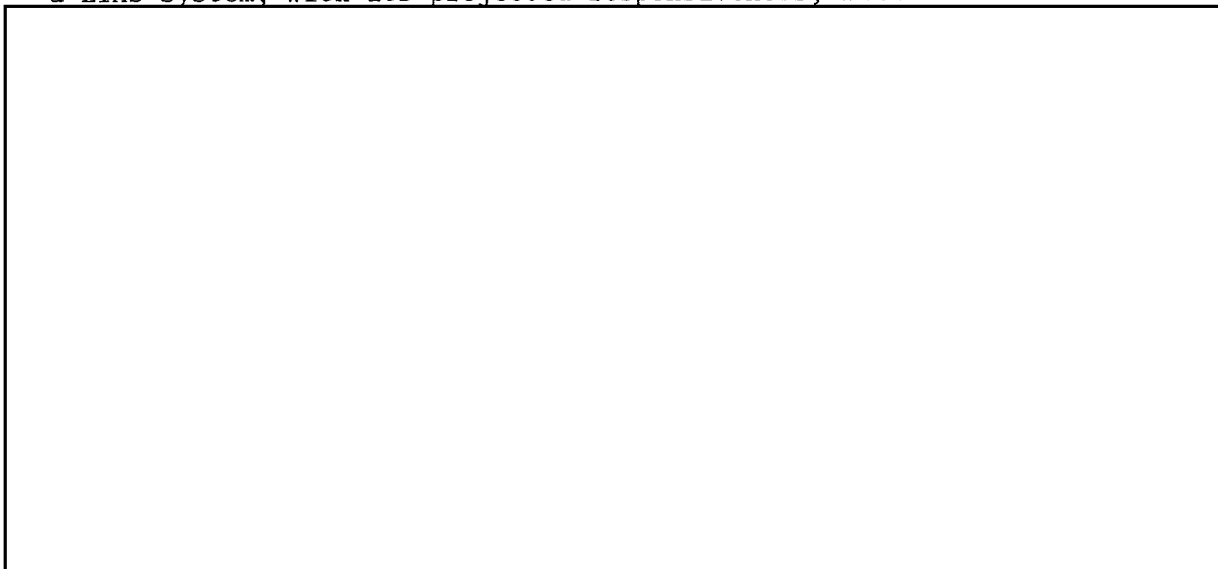
OFFICE OF LOGISTICS

CAT IIB CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

3. LOGISTICS INTEGRATED MANAGEMENT SYSTEM (LIMS)

The primary intent of the LIMS project is paraphrased from the project Goal: To develop an integrated management system that recognizes and reacts to service requirements . . . enhances operational efficiency, effectiveness and productivity . . . increase(s) automation in OL information handling (and processing transactions) . . . supports worldwide OL (and Agency) operations. . . interface(s) with Agency accounting, budget, and payment processes. The foremost objective of LIMS is to dramatically improve the Office of Logistics' (OL) response to its customers, in terms of the acquisition and delivery of requested and required goods and services and support a rapid vendor payment process.

Quantitatively, the internal requisition and processing sequence involving significant labor-intensive and paper-dependent processes currently averages 55 days of throughput. Using the same or fewer personnel, the LIMS system will simplify processes, increase accuracy, provide timely information, improve vendor relationships, minimize bureaucratic procedures and, importantly, modernize the manner in which business is conducted today and in the future. The benefits of a LIMS system, with its projected responsiveness, will become



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5. NEW BUILDING AT HEADQUARTERS

Capital investment in a new building on the Langley Compound for consolidation of the Headquarters organization can achieve annual savings in excess of \$5,300,000 by 1985. This figure is comprised of:

- a. Reduction in Commo leased lines
- b. Reduction in the number of Federal Protective Officers
- c. Reduction in costs of TEMPEST testing and countermeasure design
- d. Employee lost man-hours on the shuttle
- e. Reduction of shuttle operating fund
- f. Motor Pool employee reduction
- g. Courier personnel reduction
- h. Reduction in reimbursement for use of POV.

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OFFICE OF DATA PROCESSING

CAT IIC CAPITAL INVESTMENT TO SAVE MONEY IN FUTURE

2. INCREASE IN FUNDS AND/OR POSITIONS FOR SOFTWARE DEVELOPMENT

Many cost savings recommendations derive from the benefits of automating manual systems or redesigning currently automated systems. ODP and the Agency in general are currently underinvested in the software development area: additional funds and/or slots for ODP or other components would mitigate this problem. Cost savings would of course depend on the specific application automated, but just in terms of the specific computer systems addressed by DD/A components the savings can be expected to aggregate to well in excess of \$500,000 on an annual basis.

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